

FISCAL NOTE

HB 2277 - SB 2211

March 14, 2007

SUMMARY OF BILL: Authorizes the Commissioner of Finance and Administration (F&A) to develop an enterprise resource planning (ERP) system. Requires the Commissioner to provide progress updates on a quarterly basis to all departments and agencies of state government, including state and local government committees, and to the General Assembly. Authorizes the Commissioner of General Services to identify and transfer any existing equipment within the department that could be utilized in the implementation and operation of the ERP system.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures:

\$82,550,000 One-Time – FY07-08 (\$82,550,000 is included in the Governor's FY07-08 Budget Document)
\$13,000,000 Recurring – FY07-08 (\$13,000,000 is included in the Governor's FY07-08 Budget Document)
\$33,790,000 One-Time – FY08-09
\$13,000,000 Recurring – FY08-09

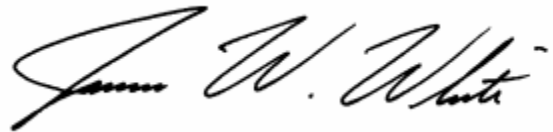
Assumptions:

- According to the Department of General Services, this bill will not have a significant impact upon departmental expenditures.
- According to F&A, the one-time increases to state expenditures for developing the ERP system are estimated to be \$82,550,000 for FY07-08 and \$33,790,000 for FY08-09.
- Public Acts 2006, Chapter 962, Section 4 authorized the issuance of \$81,300,000 in bonds for developing the ERP system. As a result, \$81,300,000 in state expenditures has been included in the Governor's FY07-08 Budget Document.
- The difference between the first-year one-time costs (\$82,550,000) and the funds derived from the issuance of the bond (\$81,300,000) is approximately \$1,250,000 in additional expenditures.

- According to F&A, the \$1,250,000 difference is included under Miscellaneous Appropriations within the Governor's FY07-08 Budget Document. These funds were unspent funds from a prior year.
- According to F&A, the first-year debt service on this bond (approximately \$13,000,000) was funded in a separate recurring appropriation. Therefore, \$13,000,000 for first-year debt service is also included in the Governor's FY07-08 Budget Document.
- The increase to state expenditures for the additional reporting requirements is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director